

Targeting The Demand For Services

To establish a framework for future service needs, the Committee next reviewed estimates of future long-term care needs and eligibility rules.

Need Projections

To forecast projections for institutional and non-institutional long-term care needs, VA has developed a long-term planning model. The VA Long-Term Care Planning Model is based on the National Medical Expenditures Survey (NMES) and measures of deficiencies in basic activities of daily living (ADLs) from the National Survey of Veterans. The methodology was developed in consultation with experts from VA, the Agency for Health Care Policy and Research (AHCPR), and the University of Michigan.

The planning model projects the total average daily census (ADC) for nursing home and home- and community-based care. ADC is the industry standard unit of measure. Projections can be made for a target year, by VISN, or for Category A veterans. The model shows the percentage of the total veteran long-term care need being met by VA-sponsored care.

Outcome of VA Planning Model

The Long-Term Care Planning Model generates an estimate of the number of Category A veterans who need long-term care. For planning purposes, the Committee used Category A veteran population estimates rather than the total veteran population as the proxy measure of the number of veterans who actually will seek long-term care from VA.

Planning model estimates show:

- In 1997, 295,000 Category A veterans needed care on any given day. The total daily veteran need was 610,000.

- Nationwide, VA cares for 21.4 percent of Category A veterans who need long-term care. That percentage varies considerably by network, ranging from 13.0 percent to 34.7 percent.

Network-level information is found in Appendix D, Table 1.

Limitation of Planning Model

Since the NMES utilization data is 11 years old, there are limitations to this model for projecting long-term care needs. Currently, the model overstates the need for nursing home care and understates the need for home- and community-based care because of changes in care modalities. These limitations will be addressed with the release of the 1996 NMES data later this year.

Eligibility Reform

In 1996, restrictions on providing medical services on an outpatient basis were eliminated, allowing an increase in the use of home care services to veterans.

The legislation treats the two major categories of veterans differently:

- Category A veterans, for whom VA "shall" furnish necessary hospital and outpatient care to the extent that appropriations are available to cover the cost of care. Benefits include hospital and outpatient care, mental health, and selected home- and community-based care. If funding is available, VA may furnish nursing home care to this group, though nursing home care is not an automatic benefit.
- Category C veterans, for whom VA "may" furnish hospital, outpatient, and nursing home care, but only to the extent that resources and facilities are available, and only if the veteran agrees to pay VA a co-payment in exchange for care. This group is primarily nonservice-connected

veterans with incomes and net worth above the "means test" threshold.

Beginning in October 1998, the legislation also requires VA to manage the provision of healthcare services through an annual enrollment system according to seven priority categories. The highest priority are veterans with service-connected conditions. Other provisions allow VA to enter into sharing agreements with any healthcare provider, including healthcare plans and insurers, for services, the use of equipment, or space.

These changes give VA more flexibility to provide care. VA will not be required to admit patients for acute services unnecessarily, and patients will receive treatment sooner and close to home. Healthcare programs will be designed and managed to promote cost-effective delivery of healthcare services in the most clinically appropriate setting. Primary care and preventive services are emphasized.

Implications

Demand for long-term care services will continue to increase as the veteran population ages. Home- and community-based services will be particularly in demand, since they now are part of the basic benefits package. However, veterans who use VA for their healthcare will continue to need both nursing home and home- and community-based services.

- VA should retain its core of VA-operated long-term care services while improving access and efficiency of operations. Most new demand for care should be met through non-institutional services, contracting, and, where available, State Veterans Homes.
- The Long-Term Care Planning Model offers an objective measure of service needs. The Department should continue to refine this population-based Planning Model, using the latest available data for use in network planning.
- To meet the needs of veterans who are eligible for, and use, VA for their healthcare needs, planning for long-term care should be based on Category A veterans.